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December 14, 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, DC 20554

**Re: Federal-State Joint Board on Universal Service
Petition for Waiver – Expedited Action Requested
filed by Smith Bagley, Inc.
CC Docket No. 96-45**

Dear Madam Secretary:

On behalf of Smith Bagley, Inc. (“SBI”), we write to provide additional information concerning the above-referenced Petition for Waiver, filed in March of this year.

On December 7, 2004, the New Mexico Public Regulatory Commission (“PRC”) released a Final Order designating SBI as an ETC on areas served by Qwest Corporation in New Mexico. The areas covered by this designation are within the Eastern Agency of the Navajo Nation. A copy of the PRC’s order is attached hereto.

This designation is significant because it permits SBI to offer Lifeline and Linkup benefits to citizens living in remote areas, where household telephone penetration is among the lowest in the United States. However, unless SBI’s above-referenced waiver petition is granted, neither it nor any other carrier will be eligible to extend Tier 4 Lifeline benefits to Navajo citizens living within SBI’s ETC service area on the Eastern Agency.

SBI has commenced construction of new facilities in the new ETC service area and intends to roll out its VisionOne™ service, which offers Tier 4 support, within the new ETC service area in January of 2005. SBI is already offering Tier 4 benefits throughout the remaining portions of the Navajo Nation where it has been an ETC for some time. In the absence of a grant, SBI will be in a position of offering Lifeline with Tier 4 benefits in one portion of the Navajo

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Nation while offering Lifeline without Tier 4 support solely on the Eastern Agency. This will present significant operational difficulties as well as customer confusion.

Accordingly, SBI requests the Commission to act promptly to grant its waiver request so that tribal citizens living within the Eastern Agency can immediately access Tier 4 Lifeline and Linkup benefits.

Thank you for your consideration of this important item. Should you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,

A handwritten signature in black ink, appearing to read "David LaFuria".

David LaFuria
Counsel for Smith Bagley, Inc.

cc: C. Libertelli, Esq.
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